

CMRS Carrier Selection Process  
Fiscal Years 2009-2011

The Board approved selection method reads as follows:

Carriers will be broken into quartiles largely based on size and time of the last audit. DBAs of the same Parent Company will be divided into different quartiles as much as possible. Each quartile will be audited every fourth audit period. To arrive at 1 less than 1/3 of the total population, a random sample will be selected of the remaining Carriers. The largest remaining DBA will then be selected to complete the sample.

Note: This method was approved by the CMRS Board on January 21, 2010.

In order to carry out this prescribed method we first had to select the carriers that would make up quartile 1. The first two selections were Cricket and TracFone, due to these two being the only parent companies not previously selected for audit.

The next two selections were Verizon New Par and Bluegrass Wireless LLC. These two were selected due to each parent having 4 DBAs and therefore were required to have one DBA in the quartile to meet the provision requiring separation of DBAs of the same Parent. The specific DBAs were selected due to no previous audit being conducted on either.

The next selection was Sprint PCS. Sprint has 5 DBAs and therefore must have at least one DBA in each quartile. The decision was made to select Sprints largest DBA for inclusion in order to balance the quartile by including one of the larger DBAs.

To complete the quartile, Cincinnati SMSA (AT&T) was selected as it was the largest remaining DBA not previously audited.

The next step was to select the random carrier to be audited. This was accomplished by assigning a number to each of the remaining carriers and using an Excel random number generator to make our selection. This resulted in the selection of number 17 which had previously been assigned to Virgin Mobile.

To complete the sample selection, the largest of the remaining carriers was selected for audit. This was New Cingular (AT&T). This completed our sample of 8 carriers for audit.

Roy W. Hunter, CPA

## CMRS Board Meeting – May 3, 2012

Roy W. Hunter, CPA

Ross & Company, PLLC

- Audit Status:
  - Administrative Board Audit –
    - Field Work Complete
    - Audit 90% Complete
  - PSAP Audits -
    - Sample selected in accordance with Board approved method
    - Established new procedures to address additional requirements in RFP
    - Preliminary work being done
    - Notification Letters being sent
    - Will begin scheduling fieldwork next week
  - Carrier Audits-
    - Quartile selected in accordance with Board approved method
      - Request variance from board in order to balance quartiles
    - Preliminary work being done
    - Notification letters will be sent next week
    - Scheduling will begin one week after letters
- Proposals in Response to LRC Report
  - Proposal to audit remaining 70 PSAPs during current audit cycle
    - \$55,395
  - Proposal to audit remaining 16 (material) carriers during current audit cycle
    - \$61,989
  - Proposal to audit remaining 4 Parent companies during current audit cycle
    - \$17,320
  - Proposal to do cost recovery only audits on companies not in sample
    - \$ 1,500 each

CMRS - PSAPs  
 Selected Sample for Audit  
 FY09 - FY11

PSAP	Category
Adair County 911	2Q
Barren-Metcalf Emergency Communications Center	2Q
Bath County E911	2Q
Bowling Green Police Department/Warren County E911	R
Bracken County E911	R
Calloway County	2Q
Carlisle County E911	2Q
Casey County E911	2Q
Clinton County 911	2Q
Cumberland County 911	2Q
Danville-Boyle County E911 Center	R
Georgetown/Scott County 911 Center	2Q
Grayson County E911	2Q
Greenup County E911	2Q
Henderson Emergency Communications Center	R
Kenton County Police Communications Center	2Q
Knox County E911	2Q
KSP Post #11, London	2Q
KSP Post #15, Columbia	2Q
KSP Post #2, Madisonville	2Q
Leslie County 911	2Q
Lewis County	2Q
Livingston County	2Q
Logan County Emergency Operations Center	2Q
Louisville/Jefferson County E911	VL
Madisonville-Hopkins County Central Dispatch	R
Menifee County E911	2Q
Muhlenberg Central Dispatch	R
Murray Police Department	2Q
Prestonsburg E911 Center	R
Rockcastle County E911	2Q
Russell County 911	2Q
Wayne County 911	2Q
Webster County E911 Services	R
Wolfe County 911	2Q

CMRS Carriers  
Carrier Population  
7/1/08 - 6/30/11

Carrier		Last Audit	Parent
1 New Cingular		2008	AT&T
2 RSA 1 & Cellco Partnership		2008	Verizon
3 Sprint PCS		2004	Sprint
4 Powertel		2008	T-Mobile
5 East KY Network		2008	Appalachian Wireless
6 CBW of KY-18		2008	Cincinnati Bell
7 Cricket Wireless	Q1	NPA	Cricket
8 Verizon New Par	Q1	NPA	Verizon
9 Bluegrass Cumberland 7		2008	Bluegrass Cellular
10 Nextel Partners		2008	Sprint
11 Cinn SMSA	Q1	NPA	AT&T
12 Bluegrass RSA 4		2004	Bluegrass Cellular
13 Bluegrass RSA 3		2006	Bluegrass Cellular
14 Nextel Boost	Q1	NPA	Nextel
<del>15 DC KY-Newco-78</del>	<del>Q1</del>	<del>NPA</del>	<del>Alltel</del> <i>SPRINT PCS</i>
16 T Mobile		NPA	T-Mobile
17 Nextel West		2002	Nextel
18 GTE Midwest		2004	Verizon
19 DB Alltel-69		2006	Alltel
20 Rural Cellular		NPA	Verizon
21 Virgin Mobil		NPA	Nextel
22 Topp Telecom TracFone	Q1	NPA	TracFone
23 Bluegrass Wireless LLC 49		NPA	Bluegrass Cellular
24 West Virginia PCS		2004	WV PCS

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